

COMMISSIONERS PROCEEDINGS 1

BOARD OF MORGAN COUNTY COMMISSIONERS

Minutes of Meeting

March 25, 2014

The Board of Morgan County Commissioners met on Tuesday, March 25, 2014 at 9:00 a.m. with Chairman Jim Zwetzig, Commissioner Brian McCracken and Commissioner Laura Teague in attendance. Chairman Zwetzig called the meeting to order with Morgan County Director of Ambulance Services Joe King leading the Pledge of Allegiance to the Flag.

CONSENT AGENDA

- Consideration of Approval of the Board of County Commissioners Meeting Minutes dated March 18, 2014
- Ratify Commissioner Laura Teague's signature on the Stormwater Inspection Form for the Morgan County Landfill, dated March 17, 2014
- Ratify the Board of County Commissioners approval of Contract 2014 CNT 46 – 4 Rivers Equipment (Rental Agreement)
- Ratify the Board of County Commissioners approval of Contract 2014 CNT 48 – D.H. Pace Company, Inc. dba D.H. Pace Door Services (Justice Center Project)

Commissioner McCracken made a motion to approve all items on the Consent Agenda. Commissioner Teague seconded the motion. Motion carried 3-0.

GENERAL BUSINESS AND ADMINISTRATIVE ITEMS

CONSIDERATION OF APPROVAL-RIGHT OF WAY PERMIT-2014 PMT 09-MORGAN COUNTY QUALITY WATER DISTRICT

Morgan County Road Supervisor John Goodman presented to the Board for approval Right of Way Permit 2014 PMT 09 for Morgan County Quality Water District to bore across Morgan County Road 6 with the location of crossing at the southeast corner of County Road AA and County Road 6 to move a water service tap. Goodman noted an inspection had been done and the fees were attached. Commissioner Teague made a motion to approve Right of Way Permit 2014 PMT 09 with Morgan County Quality Water District and authorize the Chairman to sign. Commissioner McCracken seconded the motion. Motion carried 3-0.

CONSIDERATION OF APPROVAL-RIGHT OF WAY PERMIT-2014 PMT 10-STARLIGHT ENERGY CORPORATION

Morgan County Road Supervisor John Goodman presented to the Board for approval Right of Way Permit 2014 PMT 10 with Starlight Energy Corporation to trench parallel east to west of an unimproved road segment of Morgan County Road M, Fort Morgan, CO on the north side for a distance of seven thousand ten feet. Goodman noted Starlight Energy Corporation will trench north to south of an unimproved road segment of Morgan County Road 21 and on the west side for a distance of five thousand one hundred sixty feet for a total distance of twelve thousand one hundred seventy feet. Goodman stated the permit is for approximately one and eight tenths miles of four inch polyethylene flow line for low pressure wellhead gas running from the Stroh oil and gas lease to the Starlight Energy operations area to motors that will turn a generator with the excess power being sold to Tri-State. Goodman noted the operations area is a five acre unincorporated parcel and Starlight Energy Corporation indicated they would maintain the unimproved road. Commissioner Teague noted the permit should be specified as utility and clarify proper reclamation will be done. Chairman Zwetzig stated it is appropriate that the surrounding landowners be notified and reiterated that all of the pipeline will go in the right of way that is already double fenced. Commissioner Teague made a motion to table Right of Way Permit 2014 PMT 10 until the April 1, 2014 Board meeting and asked for verification that either Goodman or Starlight Energy Corporation have notified surrounding landowners. Commissioner McCracken seconded the motion. Motion carried 3-0.

CONSIDERATION OF APPROVAL-CONTRACT-2014 CNT 47-STATE OF COLORADO CENTRAL COLLECTIONS

Morgan County Director of Ambulance Services Joe King presented to the Board for approval Contract 2014 CNT 47 with the State of Colorado for collections of bad debt with the fees being charged to the debtor for a period of six months. King noted that at the March 11, 2014 Board meeting the bid for billing was approved and this is the conclusion of the contract for collections. Chairman Teague noted the Commissioners visited with Wakefield & Associates and they agreed to submit any collections to the State of Colorado. Chairman Zwetzig established the starting date will be May 1, 2014. Commissioner McCracken made a motion to approve Contract 2014 CNT 47 with the State of Colorado for the collection of bad debt with the funding source being the Morgan County Ambulance Service with the fees being charged to the debtor beginning May 1, 2014 for a period of six months and authorize the Chairman to sign. Commissioner Teague seconded the motion. Motion carried 3-0.

Chairman Zwetzig noted it is understood that if it does not work out with the State of Colorado, the County can go back to Wakefield & Associates.

CONSIDERATION OF APPROVAL-BID AWARD-LONG BRIDGE DECK REPLACEMENT 2014-0319

Morgan County Bridge Supervisor Dick Early presented to the Board for approval Bid Award Long Bridge Deck Replacement 2014-0319 for concrete replacement. Early reported four bids were received. The highest bid was from Zak Dirt, Inc. for a total bid amount of \$929,909.50, the second highest bid was from Lobos Structures for a total bid amount of \$865,929.00, the third highest bid was from Yost Construction Co. for a total bid amount of

2 COMMISSIONERS PROCEEDINGS

\$806,588.86 and the lowest bid was from Lobato Construction, LLC for a total bid amount of \$784,017.76. Early noted all four companies met specifications. Early recommended Lobato Construction, LLC. Commissioner McCracken asked Early if Lobato Construction, LLC can meet the time frame that has been allotted beginning April 15, 2014 and be done by September 1, 2014 with Early replying yes. Commissioner Teague made a motion to approve Bid Award 2014-0319 to Lobato Construction, LLC in the amount of \$784,017.76 as recommended by Early. Commissioner McCracken seconded the motion. Motion carried 3-0.

CONSIDERATION OF APPROVAL-BID AWARD-IN-FRAME TRUCK ENGINE OVERHAUL 2014-0320

Morgan County Fleet Manager Bruce Bass presented to the Board for approval Bid Award In-Frame Truck Engine Overhaul 2014-0320 for repairs on an engine that has a hole in the piston liner. Bass noted four bids were received. The first bid was from Quality Equipment & Service for a net bid of \$19,951.44 with a time frame of five and one-half business days and does not include parts or labor for block surface if needed. The second bid was from Transwest Trucks for a net bid of \$25,783.18 with a time frame of five days. The third bid was from Floyds Truck Center for a net bid of \$21,876.15 with a time frame of ten days with a three year unlimited mile warranty included. The fourth bid was from Wagner Equipment for a net bid of \$23,852.36 with a time frame of five days with the bid not including unforeseen damages or necessary repairs required during the rebuild or inspection process. Bass recommended Quality Equipment & Service located in Sterling, CO. Commissioner McCracken asked Bass about an extra two year warranty with Bass replying if there were any problems with the overhaul of the engine, it would probably happen within the first thirty to sixty days. Commissioner McCracken made a motion to approve the bid award to Quality Equipment & Service with a net bid amount of \$19,951.44. Commissioner Teague seconded the motion. Motion carried 3-0.

CONSIDERATION OF APPROVAL-BID AWARD-STATE BID AWARD-JAIL TRANSPORT VAN-AGREEMENT #07000YYY86M

Morgan County Fleet Manager Bruce Bass presented to the Board for approval State Bid Award Jail Transport Van Agreement #07000YYY86M for one 2014 Dodge Grand Caravan purchased from Colorado Springs Dodge in the amount of \$20,888.00. Bass noted the van was a 2014 budgeted item. Bass stated this is a replacement van for a full-size van currently in the fleet for the Morgan County Sheriff's Department with the Sheriff's Department requesting a smaller van as transports are not high enough in numbers to utilize a full-size van. Commissioner Teague made a motion to approve State Bid Award Jail Transport Van Agreement #07000YYY86M to Colorado Springs Dodge in the amount of \$20,888.00. Commissioner McCracken seconded the motion. Motion carried 3-0.

CONSIDERATION OF APPROVAL-BID AWARD-2014-0227 MOTOR GRADER RFP

Morgan County Fleet Manager Bruce Bass presented to the Board for approval Bid Award 2014-0227 Motor Grader RFP which was tabled from the March 11, 2014 and the March 18, 2014 Board meeting. Bass reported, per the Commissioner's request, a search he did on values of machines using three search patterns to find machines back to 2007 and newer on machinerytrader.com from the last three hundred and sixty-five days with auction results for all models for the Cat in the amount of \$157,672.00 and for the Deere machines in the amount of \$132,250.00. Bass noted he did a search based on previous models to the current model machines placed on the site for the last three hundred and sixty-five days with the Cat 140M coming in at \$162,990.00 and the Deere 770G coming in at \$160,389.00. Bass reported he did a search on current model machines placed on auction results with the Cat 140M2 coming in at \$228,000.00 and the Deere 770G and the Deere 770GP at \$140,625.00. Bass stated at the request of the Board of Commissioners, he contacted both 4 Rivers Equipment and Wagner Equipment to see if they would provide equipment values for a seven year period.

Rick May from Wagner Equipment addressed the request to extend the original proposal out to seven years and since there was no roll out provision or requirement on the original proposal, Wagner Equipment will do a guarantee buy back of \$192,000.00 for all three machines and if the County wants the machines rolled out at the end of seven years, Wagner Equipment would guarantee a buyback of \$210,000.00 noting information gets vague trying to extend out to seven years. Commissioner McCracken noted the same machine at two years old is still worth the same money. Mr. May stated he got a trend on market values with a 2007 Cat 140 sold at auction for an average price of \$140,375.00 and equipment currently listed for sale at an average price of \$173,797.00. Mr. May also provided market values for a 2007 Deere 770 with the average auction price at \$110,833.00 and the average sale price at \$136,278.00. Mr. May noted a 2009 Cat 140M had an average auction price of \$167,200.00 with an average sale price of \$206,866.00. Commissioner McCracken asked Mr. May if selling a county machine versus a construction machine, would the county machine be worth more because the county machine has been maintained with Mr. May replying with the county's specs, the machines are very saleable machines. Mr. May reported a 2011 machine had an average auction price of \$222,500.00 and an average retail price of \$297,284.00 and suggested the County might entertain turning the machines over in three years as a three year old machine would have a higher resale value with the County selling the machines themselves. Mr. May noted with turning over a seven year old machine, it is a higher hour machine with a lower demand with the buyback not being affected. Commissioner Teague noted that the County should look at the three year turn over and because of the government discounts the County gets, it may not cost the County anything.

John Strong, 4 Rivers Equipment Branch Manager, noted 4 Rivers Equipment submitted a bid for three Deere 770GP motor graders meeting all the specifications as required by Morgan County. Mr. Strong reported the bid 4 Rivers Equipment submitted was the lowest bid by \$92,173.00 than the other bidder. Mr. Strong noted the base price on each machine submitted would save the County a total of \$25,173.00 or \$8,391.00 per machine. Mr. Strong stated the trade-in price for the three machines was \$435,000.00 and the trade-in value was \$67,000.00 higher than any other bid and it is hard to predict what future values will be and is all speculation. Commissioner McCracken asked Mr. Strong about putting a price on down time with Mr. Strong replying every manufacturer has down time. Commissioner McCracken stated the trend has been that it is faster to haul a machine to Frederick, CO to get a

COMMISSIONERS PROCEEDINGS 3

machine fixed rather than wait for a Deere technician to come and fix it at the site. Commissioner McCracken reported there was a problem with a new motor with 4 Rivers Equipment supplying the special additive and the County would not have to worry about it after one year, however, the County has been paying for the additive and was led to believe it would be taken care of. Commissioner McCracken stated nowhere is it written that the County is required to take the lowest bid. Deere did choose to get behind the EPA requirements and rolled out a machine to Morgan County in September 2013 and with this machine having approximately one thousand seven hundred eighteen hours and 4 Rivers Equipment has not been called out for any service.

Commissioner Teague commented for about two years the County started talking about going to a seven year cycle and based on the five year budgeted proposal perhaps the County may choose to go with the seven years and this bid award was fairly tabled in order to process new information. Chairman Zwetzig stated he did check with the County Attorney and was assured the County is following the proper bid process and the County needs to do what is best for our citizens and any additional information is not an unfair advantage and falls appropriately in the County's procurement policy. Mr. Strong stated at looking at different ways of owning and operating costs of machinery, the longer the County keeps a machine there is more risk and with a two to three year old machine it is a more desirable piece of equipment noting the worst of the price increases are over with the final Tier 4 engine and it was the most expensive endeavor in the industry.

Chairman Zwetzig asked Bass his thoughts and comments with Bass replying it is a tough decision and based on the original recommendation on a five year cycle and looking at trends, Cat holds their value better. Bass noted regarding the intent for the future, the seven year cycle could give additional life without additional expenses, however, the County might want to look at a three year cycle and based on information for the seven year information, his view has changed with the Cat being the best machine for Morgan County. Bass noted it is up to the Commissioners to make the final decision.

Commissioner Teague stated there was a guarantee buyback of \$192,000.00 by Cat and none by Deere and if the average cost of the machines sold at auction are \$132,000.00 and put that figure into the same bid tabulation there is an increase in cash outlay, however, at the end of the seven years the amount is \$967,000.00 for a total of \$1,066,873.00 of the Deere noting it was fair to ask for a seven year buyback from both parties. Commissioner Teague noted the RFP does not lock the County into anything. Commissioner Teague made a motion to approve Bid Award 2014-0227 to Wagner Equipment for a total cash outlay with trade-in at \$304,939.00 and write the contract and sign upon receiving it back. Commissioner McCracken seconded the motion. Motion carried 3-0.

COUNTY OFFICIAL AND DEPARTMENT HEAD REPORTS

Commissioners reviewed the calendar dated March 21, 2014 through April 1, 2014 with no changes.

UNFINISHED BUSINESS

There was no unfinished business.

CITIZEN'S COMMENT PERIOD

There were no citizen comments.

We hereby adjourn and are in recess at 10:11 a.m.

Respectfully submitted,

Dee Loose
Deputy Clerk to the Board

**THE BOARD OF COUNTY COMMISSIONERS
MORGAN COUNTY, COLORADO**

Jim Zwetzig, Chairman

Brian McCracken, Commissioner

Laura Teague, Commissioner

4 COMMISSIONERS PROCEEDINGS

(SEAL)

ATTEST:

Connie Ingmire, Clerk to the Board